



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0605	Title:	Equitable distribution of fish and game fed excise taxes between state & tribes
Primary Sponsor:	Augare, Shannon	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$1,239,817	\$1,239,817	\$1,239,817	\$1,239,817
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$138,978)	(\$138,978)	(\$138,978)	(\$138,978)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: If this legislation passes, 7% of the Department of Fish, Wildlife and Parks' (FWP's) federal Pittman-Robertson and Wallop-Breaux allotment of \$1,238,818 will be set aside for the Montana-Wyoming Tribal Fish and Wildlife Commission. An additional \$1,238,818 of general license funds will be needed in order to maintain existing programs. There will also be a loss of federal overhead revenue of \$138,978 due to the 5% cap on administrative costs.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks

1. All grant proposals submitted by FWP to the USFWS for approval will meet the federal compliance requirements that are specific to each grant program.
2. Additional time and travel costs for existing staff (\$1,000 each fiscal year) will be required for ongoing administration of the new sub-grantee program. Responsibilities will include developing and implementing program guidelines and coordinating with the tribes, FWP staff, and federal agencies.
3. HB 605 allows up to 7% of Pittman Robertson (PR) and Wallop Breaux (WB) funds for tribal wildlife and fish management programs. A 7% estimate of each sub account within the PR and WB accounts based on federal fiscal year 2008 federal aid apportionments is:

	<u>PR Total</u>	<u>WB Total</u>	
	\$8,241,194	\$9,456,194	
7%	\$ 576,884	\$ 661,934	= \$1,238,818

- For purposes of this fiscal note, to maintain current levels of services in existing fish and wildlife programs, state general license dollars equivalent to the re-directed 7% will be used to replace the federal PR and WB funds being redirected to projects on Indian reservations.
- With administrative costs capped at 5%, FWP will not be able to collect adequate federal overhead revenue for administrative support. The FY 2009 federal overhead rate is 19.02%. Overhead revenue loss would be \$138,978 ($\$1,238,818 / 1.1902 = \$1,040,848$) in direct costs and \$197,969 in overhead costs ($\$1,040,848 \times .1902 = \$197,969$) compared to ($\$1,238,818 / 1.05 = \$1,179,826$) in direct costs and \$58,991 in overhead costs ($\$1,179,826 \times .05 = \$58,991$). The difference in overhead collected will be \$138,978 ($\$197,969 - \$58,991$) from state special revenue.
- FWP assumes that the tribes are responsible for the required non-federal match (25% of entire project cost) on each of their eligible projects.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$1,239,818	\$1,239,818	\$1,239,818	\$1,239,818
TOTAL Expenditures	<u>\$1,239,818</u>	<u>\$1,239,818</u>	<u>\$1,239,818</u>	<u>\$1,239,818</u>

<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$1,239,818	\$1,239,818	\$1,239,818	\$1,239,818
TOTAL Funding of Exp.	<u>\$1,239,818</u>	<u>\$1,239,818</u>	<u>\$1,239,818</u>	<u>\$1,239,818</u>

<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$138,978)	(\$138,978)	(\$138,978)	(\$138,978)
TOTAL Revenues	<u>(\$138,978)</u>	<u>(\$138,978)</u>	<u>(\$138,978)</u>	<u>(\$138,978)</u>

<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$1,378,796)	(\$1,378,796)	(\$1,378,796)	(\$1,378,796)

Long-Term Impacts:

- The \$1,238,818 that will be diverted to tribal projects will no longer be available for ongoing department programs or projects. In addition, the decreased indirect cost reimbursement will also no longer be available for department programs. Management of fish and wildlife resources will be reduced by an equivalent amount or, if general license dollars are used to replace the diverted funds (as shown in this fiscal note), there will be an accelerated depletion of the general license account's projected fund balance.

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date